

**Springfield Technical Community College
Committee on Ways and Means Report
May 12, 2025**

Present: Trustees Laurie Martin, William Johnson, and Norman Roldan. Also present: President John B. Cook.

Trustee Martin called the meeting of the Committee on Ways and Means to order at 5:00 p.m.

Investment Subcommittee Report

Trustee Martin reviewed highlights of the investment sub-committee report from the May 1, 2025 meeting (enclosed in meeting packet).

FY 2025 3rd Quarter Trust Fund Report

Jonathan Tudryn, Assistant VP of Administration and Controller, presented the report in accordance with trust fund guidelines. Revenues were up for the 3rd quarter of FY 2025 due to enrollment exceeding the budget. Budgeted revenue from reserves was not needed during the first three quarters. The Facilities Projects and IT Capital Projects lines aren't showing any expenses through the 3rd quarter as carry over funds are spent first. Mr. Tudryn also presented the related vendor expenditure report.

Financial Update and Outlook

Cash Flow Projection

Mr. Tudryn presented the cash flow projection. The College had approximately \$14.5M available at TD Bank as of May 3, 2025. Given the cash position, the College recently transferred \$5 million to Fiducient and the investment portfolio. A two-quarter dollar-cost average approach will be used to invest these funds into the long-term portfolio. The projected cash balance at the end of the fiscal year is approximately \$6.9M.

FY 2025 Budget Outlook

Jason Cohen, Senior Director of Finance and Budgets, presented the FY 2025 Revenue and Spending report, noting that net income is projected to be favorable to budget by \$5.6M. Revenue is projected to be favorable by \$7.4M due to the state appropriation projected at \$2.1M favorable to budget, and tuition & fees favorable by \$4.8M due to Fall enrollment up 17% and Spring 2025 enrollment up 22% from last year. Expenses are projected to be \$1.8M higher than budget mainly due to an increase in adjunct faculty expense related to higher enrollment. Given the positive financial outlook for the year, the College will not need to access the \$1.5M in reserves that was included in the budget.

FY 2026 Budget-Final Draft

Vice President/CFO Nathanson presented a balanced draft FY26 budget for Committee consideration. Key revenue assumptions in the budget include a 1.5% increase in the state appropriation, conservative enrollment with credits level to FY25, and fee increases of 1.93%, the maximum allowable increase based on state legislation. Key expense assumptions include full time staffing up two positions over the FY25 budget, wage increases in line with collective bargaining agreements, and an inflation factor of 4%. The budget also includes an increase of \$800K to the contingency line.

The Committee discussed the areas of financial risk in FY26 due to the possible impact of potential changes at the federal level. Specific areas of risk include a narrowing of Pell eligibility, possible risk-sharing of federal loan debt, and a contraction of Medicaid funding to Massachusetts that would have a downstream impact on many state-funded financial supports. Recognizing these risks, the FY26 budget includes a higher level of contingency funding than in past years.

[Motion 2025-08] FY 2026 Student Fees

Trustee Roldan moved that the Springfield Technical Community College Committee on Ways and Means recommends to the Board of Trustees, pursuant to the provision of Chapter 15A, Section 22, the authorization for the President of the College and/or his designee(s) to increase the General Education Fee by \$4 per credit and increase the Information Technology Fee by \$2 per semester effective for the Fall 2025 Semester. All other College fees for FY 2026 will remain at the same level as Spring 2025. The motion was seconded by Trustee Johnson and approved unanimously.

[Motion 2025-09] FY 2026 Budget

Trustee Johnson moved that the Springfield Technical Community College Board of Trustees Committee on Ways and Means, pursuant to the provision of Chapter 15A, Section 22, recommends the approval of the FY 2026 College Spending Plan and the FY 2026 Trust Fund Budget, and further authorizes the President of the College and/or his designee(s) to take any and all prudent steps necessary to award contracts for capital projects. The motion was seconded by Trustee Roldan and approved unanimously.

President's Perspective

Dr. Cook recognized the diligence of the Administration and Finance team for a balanced FY 26 budget, and thanked the trustees for their support and recommendation of the budget to the full board. Dr. Cook notified the Committee that he and the other community college presidents sent a letter expressing concern to the MA Congressional delegation regarding changes in Pell grant eligibility for STCC students.

Old/New Business

None

Date of the next meeting

TBD

Adjournment:

The meeting was adjourned at 5:50 p.m.

Respectfully submitted by: Dominick Uguccioni

**Springfield Technical Community College
Investment Subcommittee Report
May 1, 2025**

Attendees: Laurie Martin, Michael Chase, Matt Fratini, President Cook, Andrea Nathanson, Christopher Thuot, Jonathan Tudryn, Dorothy Ungerer, Elisa Przybylek and Nanette Flores.

The committee met with Fiducient Advisors on May 1, 2025 for the quarterly investment subcommittee meeting.

Mr. Fratini, the Consultant from Fiducient, presented the Quarterly Investment Review report for the fourth quarter of 2024 and the first quarter of 2025. The Fiduciary Governance Calendar for the fourth quarter of 2024 contained an Asset Allocation focus, while the first quarter of 2025 focused on Governance:

- Capital Market Assumptions (4th Quarter, Asset Allocation)
- Frontier Engineer Asset Allocation Modeling (4th Quarter, Asset Allocation)
- Investment Policy Statement (1st Quarter, Governance)
- Governance Check-In (1st Quarter, Governance)

Mr. Fratini proceeded with a review of the asset allocation analysis before moving into a 2025 outlook with portfolio implications, along with a ten-year market forecast, and a specific focus on the Frontier Engineer asset allocation. He provided further information and context regarding the Hyde Park hedge fund and then continued with a review of the Investment Policy Statement (IPS) noting important elements of the policy to be considered. Mr. Fratini indicated that there are no recommendations for changes at this time, however, there was discussion on the Portfolio Structure Strategy that was included within the IPS and it was determined that it did not need to be included. A motion will be presented at a future Committee on Ways and Means meeting to update the IPS accordingly. He continued with a review of committee best practices before proceeding into the capital markets overview by providing updates on market themes, and asset class returns. A summary of the dollar cost averaging activity from the November 2024 investment was provided. The final \$3 million transfer to the long-term portfolio will occur in May.

Investments managed by Fiducient totaled \$58,397,834 at March 31, 2025. This value includes the \$9,000,000 investment made in November 2024, netted with a fiscal year to date gain of \$2,193,695.

The long-term investment account totaled \$40,057,896 at March 31, 2025. A summary of the STCC Long Term Investment Account as compared to the L/T STCC Hybrid benchmark is listed below by quarter, fiscal year to date, and since inception (11/1/2014).

	QTR	FYTD	Inception
STCC Long Term	0.7	8.7	5.6
L/T STCC Hybrid benchmark	0.6	9.6	5.9

The L/T STCC Hybrid benchmark consists of:

	Weight (%)
Russell 3000 Index	33.5
Bloomberg U.S. Aggregate Index	30.0
MSCI AC World ex USA (Net)	20.5
HFRI Fund of Funds Composite Index	7.5
Diversified Real Asset Blended Index	5.5
FTSE EPRA/NAREIT Developed Index (Net)	3.0

The short-term liquid account totaled \$18,339,938 at March 31, 2025. A summary of the STCC Short Term Investment Account as compared to the S/T STCC Hybrid benchmark is listed below by quarter, fiscal year to date, and since inception (11/1/14).

	QTR	FYTD	Inception
STCC Short Term	1.3	5.6	1.9
S/T STCC Hybrid benchmark	1.3	5.2	1.8

The S/T STCC Hybrid benchmark consists of:

	Weight (%)
Bloomberg Short-term Govt./Corp.	60.0
90 Day U.S. Treasury Bill	30.0
Bloomberg U.S. Aggregate Index	10.0

An estimated fee analysis was also provided:

Long-Term Investment Account Fee	42 basis points
Short-Term Liquid Account Fee	19 basis points

Mr. Tudryn, Assistant Vice President of Administration and Controller, notified the committee and Fiducient that the College is in the position to transfer another \$5 million into the investment account. Mr. Fratini recommended using a two-quarter dollar cost average approach. The committee chair was in agreement with this approach.

The meeting adjourned at 05:12 PM.

Respectfully submitted by: Elisa Przybylek